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WG-III M-1.

December 21, 1955

EDAC Working Group III, Economic Defense Policy and Planning

MINUTES

2:30 p.m., Monday, December 19, 1955
Room 230 SA-7

Attendance:

State

Mr. Goodkind, Chairman
Mr. Tuckerman
Miss Young
Miss Worthing
Mrs. Gold

ICA

Miss Baldwin

CIA

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Defense

Mr. Van Sant
Mrs. Lee

Treasury

Mr. Blaser

MDAC

Mr. Hale

Mrs. Huver, MDAC Committee Secretary

Agenda

Note a: Note on First Meeting of Working Group III.

1. Establishment of Panel on Research Planning.
2. Working Group Assignment Concerning Emergency Action Steps--Economic Warfare.
3. Problem of Coordination and Implementation of U. S. Policy Concerning Soviet Economic Penetration of Underdeveloped Countries.

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Note a: Note on First Meeting of Working Group III.

The Chairman noted that the Working Group on Economic Defense Policy and Planning was now operating within the framework of the new EDAC structure. He read a listing of the new members and alternates from each agency and noted that [REDACTED] has been assigned to perform secretariat services for the Group.

25X1A9a 1. Establishment of Panel on Research Planning

The Chairman announced that Mr. Robert Wright would be Chairman of this Panel and that its major functions would be to consider the research needs of the economic defense community. He stated that the Panel will probably meet infrequently but is subject to call by the Chairman when he or any member of WG-III feels it is necessary. He requested that the member agencies inform the Group of their representatives on this Panel.

2. Emergency Action Steps - Economic Warfare

Decision:

It was felt that each agency should reflect on the steps which should be taken at the onset of an emergency and to consider particularly those steps which fall under that agency's responsibilities and functions. It was the consensus that ODM should participate in preparing a response on this assignment.

As a starting point, the Chairman requested that each member obtain information from his respective agency on what has been done along these lines and submit the material for discussion at the next Working Group meeting.

The Chairman requested that the Working Group proceed on this project and that Mr. Tuckerman fill in for the Chairman when necessary in carrying the project forward.

Discussion:

The Chairman summarized the history of emergency action plans and projects and stated that it is now tied in somewhat to the relocation exercises. He said that Admiral DeLany had requested that this Working Group undertake an assignment to develop a set of emergency action steps in reference to the economic warfare denial programs and the establishment and development of export controls, both national and international. This request was outlined in WG-III D-1, which was distributed at the meeting.

The Chairman then read a supplementary memo from Admiral DeLany on this subject, asking for consideration of the U. S. action steps to be taken on national and international controls, including shipping and aircraft, control of exports and imports, trading with the enemy - FAC, trading with neutrals, and trading with allies. This memorandum plus attachments from the Organization and Management Office of ICA will be distributed to the members as WG-III D-1/1.

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3. Problem of Coordination and Implementation of U. S. Policy Concerning Soviet Economic Penetration of Underdeveloped Countries

Decision:

The Chairman requested that Mr. Tuckerman and Mrs. Young prepare a draft paper, for submission to EDAC through the Executive Committee, which would discuss the competence of the Working Group and define the extent to which it could cooperate on this subject; and would point out the lack of an effective coordinating mechanism in the U. S. Government. The group will review and discuss this draft at the next meeting.

It was decided to hold the next meeting of the Working Group on Wednesday, December 28, for further discussion of Items 2 and 3 above.

Discussion:

The Chairman reviewed the work that Working Group 5 had done on this problem and summarized the papers which they had submitted, one of which was Staff Study 12 which was submitted in June 1955 to the Dodge Council in the package on the review of economic defense policy. In this Study the Working Group stated that the matter of Soviet bloc penetration should be examined, not only from the economic and political standpoints, but from the military and psychological as well. Its lack of competence in the latter respect was noted. It is further noted that consideration had been given to the adequacy or inadequacy of existing U. S. Government machinery for such examination and for determining whether counter-measures seem appropriate. It was concluded that, in general, the economic defense organization was adequate for dealing with the aspects of the problem with which it is concerned. The Working Group was assigned by the EDAC Executive Committee to maintain such a continuing review of the problem.

Since that time, however, the problem of Soviet economic penetration has acquired greater prominence and there have been additional efforts on a larger scale on the part of the bloc than had been anticipated.

The Chairman said that, knowing of this assignment for coordination in this Working Group, he was disturbed because many of these problems are, in fact, receiving ad hoc attention at various levels in the Government and are not being coordinated. This was confirmed during a meeting of State Department officers on this matter. In several countries, including the U. S. and the U. K., this problem has been examined and action taken at the highest levels.

The Chairman stated as his opinion that this Working Group does not have the competence to carry out the assignment which EDAC intended, and that what was needed was a fairly high-level coordinating mechanism which could examine these cases, collate the information and bring together the competence necessary to review long-range policies and initiate action.

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The Chairman said he intends to raise the question of coordination within the Department of State, and also within the Department, the question of the adequacy of present Government machinery to handle such policies and programs. He invited the Working Group to consider the same question in the context of the present assignment from the Executive Committee.

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